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Kenya

Agricultural Situation

Effects of Post Election Violence on Agriculture

2008

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Report Highlights:

Food distribution in much of Kenya has been negatively impacted by continuing post election violence - increasing domestic food prices and reducing foreign exchange earnings derived from coffee, tea and horticultural exports.

Includes PSD Changes: No
Includes Trade Matrix: No
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Summary

Food distribution in much of Kenya has been negatively impacted by continuing post-election violence - increasing domestic food prices and reducing foreign exchange earnings derived from coffee, tea and horticultural exports. Losses in the tea sector alone exceed Kenya shillings (ksh) 350 million (about \$5 million). Many farmers have been displaced and agricultural inputs are not reaching areas of need, creating a scenario for possible increased food insecurity as farmers are unable to prepare their land for planting before the long rains begin in mid-march.

December marks the time in Kenya's Rift Valley when farmers complete the harvest of corn and deliver production to flour millers and the National Cereals and Produce Board (NCPB) warehouses. The disputed December 27 presidential election and violent aftermath have resulted in about 1 million bags (90,000 tons) of corn being left in the fields or on the farm due to the closure of NCPB's warehouses and the absence of middlemen who normally visit farms for direct purchase. In addition, the corn stored in bins on many small and mid-sized farms has been either looted or destroyed when farms were invaded and burned. Several large scale farms have also been affected and report an inability to prepare land for planting due to a lack of labor and an inability to transport inputs needed for planting. If crops are not planted before the onset of the long rains in March, staple food crop production will be insufficient to meet domestic demand by the end of 2008.

Information obtained from the Tea Board of Kenya indicates 2007 tea production rose 19% to 369 million kgs compared to 310 million kgs in 2006. The increased production is attributed to good weather conditions (abundant rains) experienced in the tea growing regions. Kenya is usually the largest exporter of black tea in the world (occasionally being outpaced by Sri Lanka). Most of its tea plantations are west of the Rift Valley, with smallholder farms also present in the expansive Rift Valley. Post-election losses in the tea industry are estimated at about ksh350 million (about \$5 million). The displacement of workers in large tea plantations and small scale farmers in the Rift Valley has reduced the level of tea output. Industry analysts estimate almost 5 million kgs of green leaf have been lost as a result of factory stoppage. Other losses include non plucking of tea leaves, loss of labor due to displacement of workers, and idle factory capacity due to the lack of green leaf deliveries. Transportation of packaged tea to the Mombasa auction was disrupted for a week, leading to increased packed tea stocks at factories, impacting negatively on normal auction operations.

The post-election crisis has also negatively impacted the dairy sector, embroiling the whole value chain from the farmer to the consumer. At the farm level, distribution of production was impossible in the Rift Valley and in some parts of Nyanza and Western province. Skirmishes led to the closure of processing factories and milk cooling plants in the affected areas. Farmers who did not fall victim to displacement were unable to deliver milk to the cooling plants due to a general collapse of the transport system. Analysts estimate a production of about 3.4 million liters of milk per day in the Rift Valley alone. As a result of skirmishes it is estimated that over 40 percent of milk production has been lost with two major milk processors closing down, leaving only one operating below capacity, translating to over ksh 1 billion in lost processors' revenue in the last one month.

Other affected agricultural sectors include beef, poultry, and pork as several mills claim they are unable to deliver feedstuffs needed by these industries. However, these supply issues should be easily addressed once stability returns. Of greater concern is the pending planting season and the ability of displaced farmers to return to their farms. It is unlikely displaced farmers will be able to return in time to plant their crops and, as a result, Kenya may face food shortages towards the end of 2008.